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MONETARY REFORMS IN BULGARIA WOLSEN PROPIE'S PLICET

Reliable sources report that the increase in the cost of living in Bulgaria by 40 percent during the last 45 days has created a general discontent in that country. In fact, according to certain reports, the people have attacked and plundered the stores in certain towns and cities.

Observers who try to explain this situation attribute it mainly to the monetary reform carried in Bulgaria during last May. As a sequel to that reform, ration cards were abolished and the workers' wages raised.

However, the abolition of the ration cards resulted in the increase in the cost of living by 40 percent, which means that the value of the leva dropped correspondingly. Another result of this was that the purchasing power of the wages of the low-paid workers dropped by 20 percent and that of the medium-paid workers by 10 percent.

When the Bulgarian government issued on 12 May 1952 the decree on the monetary reform, it promised to raise the workers' pay and at the same time lower the prices of the industrial products. However, the effect of this measure was neutralized by the drop in the value of the leva.

Instead of adopting measures to alleviate the plight of the working class, the Bulgarian government tried to win the good will of the farmers by permitting the farmers and their cooperatives to sell in the free market all their prodnote in excess of the amounts which they had to contribute in kind to the government. This, naturally, led to terrific black market operations, which, in turn, resulted in the depletion of all the stocks of the stores whose dealings were legitimate. On the other hand, the rise in the prices of the farm products led to the rise in the price of many other commodities, resulting in the exasperation of the farmers.

The Situation in Bulgaria now is similar to that which preceded the purge of Luca and Ara Pauker. Consequently, it may be expected that a great purge will soon start in Bulgaria also.

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